

**The HDH Viability Model**

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This model is made available to PAS Clients as part of the Viability Testing Local Plans Workshops for the sole use of the client councils who have received the training.

This model is set up a teaching tool to be used as part Viability Testing Local Plans Workshops. It is designed to assist with plan wide modelling. The results are only as good as the information put in.

The model is saved as a Macro Enabled Microsoft EXCEL 2010 file. It will run on most older versions of EXCEL and can be saved as a 97-2003 file without losing functionality. The model includes two separate, but simple, macros. This model can only be used on a computer on which macros have been enabled.

Every effort has been made to ensure the information provided within this document and the accompanying EXCEL based model is fully accurate. However HDH Planning and Development accept no responsibility if recipients should act upon any of the information without seeking the appropriate professional advice.

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**A step by step guide**

1. Read all these instructions before going any further. Ensure that you have your notes from the Viability Testing Local Plans Workshops at hand.
2. Load the file ‘v2 SINGLE SITE – 1st Ex’ onto the computer.
3. Open the document in Microsoft EXCEL. Ideally 2010 version.
4. Enable Macros.
5. The file has three work sheets:
   1. The Cover – this is simply a cover. Note the copyright.
   2. Site Make Up – this is used to model the physical development on the site. It runs down to line 60 and across to column Q
   3. FULL RV and CIL AD – this It runs down to line 126 and across to column AB
6. Open each sheet and ensure that you can move around them.
7. The model contains pre entered formulae. To ensure that these are not disturbed only change boxes shaded grey. Column AA contains a series of shaded boxes. These do not form part of any calculation but are check cells – all should be green. If any are not green it is likely that either a formulae has been inadvertently altered or the phasing is not correct (see below).
8. Some of the boxes contain a red triangle in the top right corner. Hover the pointer (using the mouse) over these – do not click – and brief instructions will appear with guidance as to what should be inserted into that box.
9. There are various boxes shades other colours. These are shaded to aid navigation around the sheet – all boxes of one colour will be equal.
10. Boxes C26, D26, E26, C33, and D33 are formatted to change colour depending on the results in them (Viable / Not-Viable or Positive/Negative)
11. There are three phases to running the model. Modelling the site to ensure that is representative of the development likely to occur on site in the Site Make Up sheet, the inputting of the data in the FULL RV and CIL AD sheet and finally the running of the macros to calculate the residual value.
12. Before proceeding any further save a copy of the file with the name of the site you are going to model and the date. The appraisal will be useless if you don’t know what it relates to AND when it was prepared.
13. Ensure that you record where all the inputs to your work come from. You may need to defend the work, if you cannot source the inputs you will be not be able to.
14. Enter the site name in box A6 on the Cover sheet. This will copy into B2 on the other two sheets.
15. Go to the Site Make Up Sheet. This sheet is used to model the site to ensure that the amount and mix of housing in terms of tenure and size are inputted.
16. Start by putting the number of units box C2.
17. Next put the amount of affordable housing – as a percentage in box C3.
18. Boxes C7 to C15 and C19 to C27 are used to set out the mix of market and affordable housing respectively.
19. It may be necessary to manually adjust the number of units in the ‘Rounded’ column to ensure that the modelling is based on whole units rather than part units.
20. The modelling in the previous steps is in terms of units – in the following stages the size of the units, and their costs and values are inputted.
21. Insert NET development area in D35. This is not the total site area but the area to be developed – the total site less open space etc.
22. Use boxes D39 through to D59 to enter the size in m2 of the units on the scheme.
23. Update the BCIS costs to the local costs.
24. The Common Area column is used to enter the additional amount of space that is built but not saleable – typically 10% in flats.
25. Finally enter the value of the market units in Boxes K39 to K47.
26. Remember to save the work you have done regularly.
27. Move to the FULL RV and CIL AD sheet. And remember only to change grey boxes.
28. Work through the grey boxes inserting the relevant amounts – taking careful to note to ensure that they are in the correct unit – £/m2, £/ha or £/unit. Leave the boxes in row 41 until last.
29. The boxes in row 41 set out the phasing - ie the number of units started each quarter. Having regard to the sales per quarter figure in B22 fill in these boxes – the total number of units must be the total in the scheme as shown in box D4. Box G31 will read CORRECT when you have the right number – AB42 will also be green.
30. Save the file. The data entry is now complete.
31. To generate the results run the macros. First press Ctrl and ‘r’ together. You will know that the macros have run when H25 shows ‘0’.
32. The results are shown in the boxes between C26 and E26.
33. Save the file and check your notes.